GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:5120
ANSWERED ON:27.04.2010
PROBLEMS IN IMPORT OF RAW SUGAR
Choudhary Shri Nikhil Kumar

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the target for import of raw sugar fixed by the Government during the current financial year and the names of the countries from which it is likely to be imported;

(b) whether nine lakh tonnes of imported raw sugar is lying at the ports including Kandla and are not being lifted owing to the deadlock between the Government and the Federation of Mill Owners/Indian Sugar Mills Association;

(c) if so, the details thereof and the remedial steps taken in this regard;

(d) the short term policy under consideration of the Government to reduce the prices of sugar; and

(e) the manner in which the Government proposes to encourage the sugarcane growing farmers to increase their production with a view to control the price of sugar in a long term manner?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): The Central Government has not fixed any target for import of raw sugar on its account during the current financial year. As such, the question of names of the countries from which it is likely to be imported does not arise.

(b)&(c): As per report dated 19.04.2010 of Ministry of Shipping, around 8.5 lakh MTs of raw and white/refined sugar is lying in port area including Kandla. There is no deadlock between the Government and the Federation of Mill owners/Indian Sugar Mills Association. Lifting of sugar from port is a continuous process wherein the fresh imported stocks are added and the old stocks get lifted.

(d): In order to reduce the prices of sugar, the Central Government has permitted duty-free import of raw and white/refined sugar upto 31.12.2010.

(e): With a view to control the prices of sugar in a long-term manner, the Central Government has taken certain steps to encourage the sugarcane growing farmers to increase their production, which are given at Annexure.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE UNSTARRED QUESTION NO.5120 FOR 27.04.2010 IN THE LOK SABHA.

Steps taken by the Government to increase area under sugarcane and sugarcane production. -

(a) The Central Government has fixed the Fair & Remunerative Price (FRP) of sugarcane payable by sugar mills for 2009-10 sugar season at Rs.129.84 per quintal linked to a basic recovery rate of 9.5% subject to a premium of Rs.1.37 per quintal for every 0.1 percentage point increase in recovery above that level. Hitherto, the Central Government was fixing the Statutory Minimum Price (SMP) of sugarcane. This FRP is substantially higher than the SMP of 2008-09 sugar season which was Rs.81.18 per quintal, subject to a premium of Rs.0.90 for every 0.1% point increase in the recovery above 9%.

(b) The Sustainable Development of Sugarcane Based Cropping System (SUBACS) is one of the components of Centrally Sponsored Scheme (CSS), namely Revised Macro Management of Agriculture Scheme (RMMA). The main thrust of SUBACS is on the transfer of improved production technology to the farmers through field demonstrations, training of farmers, supply of farm implements, enhancing production of planting materials, efficient use of water, treatment of planting materials etc.

(c) The Central Government provides concessional loans at an interest rate of 4% per annum to sugar factories from Sugar Development Fund (SDF) for modernization of plant and machinery, expansion of crushing capacity, upgradation of technology, utilization of by-products viz. baggasse for co-generation of power and molasses for production of ethanol, and sugarcane development including better irrigation facilities, improved seed variety, ratoon management etc.

(d) A short term scheme was announced in July, 2009 for giving loans for cane development in 2009-10 financial year, under which loans of Rs.1.0 to 2.5 crore at 4% simple interest from the Sugar Development Fund (SDF) were available to sugar factories, depending upon their crushing capacity, for purchase of seeds, fertilizers and pesticides etc. The loan was required to be passed on by the sugar factories to the farmers at a maximum rate of interest of 4%.